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II. BALTIMORE'S MARKETS

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The character of the markets. Baltimore is perhaps the pioneer of American cities in municipal markets, three markets having already been established within the limits of the city by the Maryland legislature before the incorporation of the city in 1796. There were only twenty-five houses, four of brick, in Baltimore Town in 1751 when efforts were made, first by subscription, and later, as was the custom of the day, by lottery, to raise sufficient funds with which to erect a public market house. Today, the city of Baltimore owns the land and structures of its eleven municipal markets, located in various sections of the city. Ten are retail and one wholesale, the latter being a wholesale fish and a wholesale produce market. None of the municipal markets is on the waterfront, and practically all goods sold in these markets are hauled to and from the markets in horse-drawn or motor vehicles. We could not term any of our eleven municipal markets terminal markets. There are two independent terminal markets in the city, however, one a wholesale fruit and produce market at the Pennsylvania Railroad Company's Bolton freight station and the other a similar market at the Baltimore and Ohio Railroad Company's Camden freight station. At these two wholesale markets, hundreds of carloads of fruit and produce are weekly sold; some to hucksters, some to the market people and much to commission merchants for re-shipment. In addition, a market of no small proportions is conducted at the municipal docks for the sale, generally by auction, and re-shipment, of weekly steamerloads of fruits, principally bananas, large quantities, however, being purchased by local Italian dealers and sold in the markets. The nearest approach to curbstone markets we have is seen in the streets surrounding the market sheds, given up to market purposes, rows of movable street stalls and wagons being placed along either side of the streets on market days.

Stall and space rentals, and other expenses. The charges for market stalls and spaces vary in the different markets. In Lexington Market, which is the largest and most popular of our markets, and where the highest charges prevail for stall rentals and space, the following annual charges are made for what is known as butcher stalls:

License.....	\$10.00
Rent.....	20.00
Per diem (according to the number of days of the week stalls are occupied).....	<u>12.00</u> or <u>\$18.00</u>
Total.....	<u>\$42.00</u> or <u>\$48.00</u>

This is the largest total charge made for any stall in any of the retail markets and no other charges or fees are assessed. Neither are the stalls taxed by the city as personal property. In many instances the stalls were purchased at auction sales at anywhere from \$100 to \$3000 each. The owners have an easement in the stalls, are permitted to sell them or same can be given and taken as security for debt, etc., so long as the owners pay the charges prescribed by ordinances and comply with the market rules and regulations. The annual charges for what we term permanent stalls in Lexington Market are:

License.....	\$10.00
Rent.....	8.00
Per diem (according to the number of days of the week stalls are occupied).....	<u>12.00</u> or <u>\$18.00</u>
Total.....	<u>\$30.00</u> or <u>\$36.00</u>

The annual charges for what we term street stalls in each of the ten retail markets are:

License.....	\$10.00
No rent.....	
Per diem (according to the number of days of the week stalls are occupied).....	<u>12.00</u> or <u>\$18.00</u>
Total.....	<u>\$22.00</u> or <u>\$28.00</u>

This is the lowest total charge made for any stall in any of the retail markets. It will therefore be seen that the range is from \$22 to \$48 per annum.

The license was increased from \$5 to \$10 this year. In Centre Market, which is our wholesale market, the charge for the wholesale fish sections, including an office, is \$400 per annum, and the charge for the wholesale produce sections is \$200 per annum.

The net profit to the city. The market people contend that the markets are self-supporting under the old schedule of rates, in effect prior to last July, but this cannot be admitted by the city when there is taken into consideration all the expenses to which the city is subjected in providing light and water and cleaning the markets, in addition to all other charges for maintenance. A very large item which the city believes is a proper expense to be borne by the markets is that of the income to the city upon the value that it has placed in the markets. The view of the city is that the markets should not only provide a revenue sufficient to maintain them but also to compensate for the net outlay that it has made in the markets. Taking into consideration, then, the ordinary and natural expense of running the markets and the fact that public property when used by private individuals for private purposes should be upon such basis as to bring the city a revenue for its outlay, it cannot be said that the markets are at the present time operated at a net profit to the city. The market people contend that it is improper to consider as one of the charges upon the maintenance of the markets the expense, over \$30,000 per annum, borne by the street cleaning department in cleaning the streets about the markets and hauling away the refuse from the markets after market hours. The city, however, maintains that this is a proper charge against the markets, and, this being so, we figure that the excess of the expenditures over receipts for the calendar year 1912 was nearly \$24,000.

We can safely say, taking into consideration all of the charges and expenses to which the city is at present subjected by reason of the existence of the markets, as well as the necessity at the present time of spending considerable money for repairs and improvements (estimated at nearly \$100,000), the city is not today deriving a net profit from its eleven municipal markets, but, on the contrary, is operating them at a loss. This is true, even if in the past the markets were self-sustaining and remunerative, by giving proper credit for the large sums of money received by the city from the sale of stalls. Unfortunately all of the old records are not available. Some of the sales of stalls were made prior to 1857, the year the office of city comptroller was created.

Present conditions, however, have caused the present administration at Baltimore to increase the market licenses from \$5 to \$10 per annum and to require the butchers to pay the per diem charge,

which is a charge originally instituted to cover the cost of cleaning the markets, and from which, apparently for no good reason, the butchers have practically always been exempt. It is thought that, with the new schedule of charges, the markets will be made self-sustaining, it being the purpose of the present administration not to increase the market licenses and rentals for revenue *per se* but to put back into the markets in the way of improvements, all the market moneys collected. It is believed that no great hardship will be effected by conducting the markets so that they will not be a charge on the taxpayers; this is our present aim.

It would be interesting to know if there is another large city in the United States in which the public market butchers or produce dealers do the volume of business that is done by the butchers or produce dealers in the Baltimore markets at the small expense that prevails at Baltimore. Prior to this year the total license and rent charges upon the butchers in the Baltimore markets were only \$25 per stall per annum, and in many instances the city derived only \$5 per stall per annum from street stalls.

Regulations as to foods and sanitary conditions. The city's regulations with regard to adulteration, misbranding, deterioration and sanitary conditions are under the supervision of the city commissioner of health. In general the regulations are similar to those of the national government and state. The inspections of the national government and state are largely confined to the meats at the abattoirs, while the city food inspectors are at all times in the markets.

The regulations with regard to weights and measures come under the supervision of the department of weights and measures, of which the city comptroller is the head, and the city's inspectors of weights and measures confine much of their activities to the markets. The city's regulations with regard to weights and measures are similar to standards of the United States bureau of weights and measures. We have in contemplation some changes in our ordinances on weights and measures.

Bona fide farmers versus professional retailers. The professional retailers greatly outnumber the bona fide farmers. The assistant market master of Lexington Market estimates that bona fide farmers are but 10 per cent and professional retailers 90 per cent. In fact, not a few of the farmers, and this is by no means to their discredit,

in order to add to the variety of their stock, purchase no small quantities of produce from the wholesalers in the city to whom the produce may be shipped by water or rail from other sections of the state or outside, or who may have purchased, at auction, at the wholesale produce markets conducted at the Pennsylvania Railroad Company's Bolton freight station or the Baltimore and Ohio Railroad Company's Camden freight station.

Encouragement to farmers. As early as 1860, the legislature of the state of Maryland, recognizing the wisdom of encouraging direct dealing between the farmer and the consumer, passed an act which, after being repealed and reenacted several times by successive legislatures, is still on the statute books, namely:

No charge, tax or fee shall be set, rated or levied upon any person or the property of any person who shall attend any of the markets of said city (Baltimore) with any articles or produce from the country, to vend in said markets, of his own growth, produce or manufacture, or as the agent of the grower, producer or manufacturer of the same, unless such person shall occupy some place or stand in some of said market houses; provided such person or agent be not a resident of said city.

The comptroller of the city of Baltimore, the official in charge of the municipal markets, is often asked, by persons or committees appointed to consider the advisability of establishing municipal markets in their own cities: "What is the attitude of the retail grocer toward the public markets in your city?" To be sure, the retail grocer, for his own selfish benefit, would have no public markets, either controlled by the municipality or otherwise, if he had his way. He has not the same grounds for complaint in Baltimore that he might have in another city where the public markets have but recently been established and have become a new source of competition to him; for, long before he set up his store in Baltimore, the public markets had there become a fixture.

Baltimore is peculiarly situated, perhaps we might say, advantageously situated, with respect to produce. The eastern shore of Maryland is one large garden; and on the western shore, within a few miles of Baltimore, are the famous Anne Arundel County truck farms. Now, it would be almost impossible for the farmers within driving distance of Baltimore to compete with the eastern shore and Anne Arundel County truck farms; in fact, the produce of these sections is on the market long before that of the country round

about Baltimore, and the famous truck farms of the Norfolk, Va., district are only a night's run by steamer from Baltimore. Besides, the modern refrigeration cars, operated on almost passenger schedule, enable the growers in the South to place their produce in Baltimore in comparatively short time. It will therefore be seen that improvement in transportation facilities has cut no small figure in the market conditions. The farmers round about Baltimore have been bringing their products to the Baltimore market all their lives and it is a question whether it would be more profitable to them to devote more acreage to produce than to wheat or corn or hay, etc. This, of course, could only be determined by actual experiment. Perhaps it would not be unwise for the city to investigate this, in conjunction with the state or government experiment stations, somewhat on the same basis as the government and state demonstrators operating under the United States agricultural department.

It is claimed by the market people that the modern department stores and the increase in markets awheel, hucksters who go from door to door and sell all kinds of foodstuffs, hurt their business to no little extent, and frequently the market people contend that ordinances should be passed placing such restrictions upon the sale of meats and foodstuffs by department stores and stores round-about the markets that would prevent the loss of their trade. This is a large economic problem, however, and cannot be satisfactorily solved by theorizing. Farming is becoming more of a science every year and it is not improbable that the time will soon come when every farmer will undertake to solve his problems just as every merchant or manufacturer does. Educational campaigns among the nearby truck farmers, such as are conducted among the farmers with respect to corn and other grain cultivation, would no doubt produce beneficial results to the farmer.

The administration and supervision of the markets. The comptroller has full supervision over the markets. There is a market master, really a misnomer, as almost his entire time is devoted to auditing in the comptroller's office. An assistant market master is in charge of each of the eleven municipal markets, the salaries ranging from \$400 to \$900 per annum, according to the size and importance of the market. The comptroller is elected by the people for four years. He appoints the assistant market masters and he may remove them at his pleasure. They are generally political appointees

and the comptroller determines their fitness for the position. They do not devote their entire time to the markets; the salary does not justify.

No *publications or bulletins* are issued excepting that the comptroller includes in his annual report the financial statistics of the markets. The city has also been publishing since the first of the year a *Municipal Journal* and occasionally items pertaining to the markets appear in the *Journal*.

Effect of the markets on prices. By dealing direct with the consumer, the producer gets better prices than from the middleman or commission merchant. The cost of hauling from the farm is no greater to the market than to the commission merchant's warehouse, and the license for a stall in the market is comparatively small. It is the opinion, after careful investigation, by the assistant market master of Lexington Market, that the consumer can purchase cheaper from the bona fide farmer than from the professional retailer, and it is also a fact that, as a general proposition, produce can be purchased in the markets cheaper than from the stores. To be sure the market people are wide awake as to the prevailing prices and are governed accordingly. This does not necessarily mean that they form a pool to maintain prices. It is a fact with regard to the fruit vendors, however, that bananas or oranges or lemons, for instance, of the same grade, bring practically the same prices on market days at all the stands or stalls from one end of the market to another. Without doubt the housewife is compensated in going to the markets, not only in being able to purchase cheaper than from her groceryman, but particularly in being able to get first quality fresh goods. Only the freshest goods are brought to the markets. In fact, some of the farmers and retailers sell their surplus after market hours to storekeepers in the city.

Other foodstuffs sold at the markets. Every article of food imaginable is sold in the markets, produce, fruits, meats, fish, oysters, crabs, game, canned goods, cakes, candy, butter, eggs, poultry. Indeed, there is very little the housewife would have to buy elsewhere if she cared to confine her purchases to the markets. It has been estimated that 50,000 persons visit Lexington Market on Saturday.

The markets affect the output of the outlying farms. The Baltimore markets, as already stated, were established before the incorporation of the city, when Baltimore Town was in its infancy, and

the markets have grown up with the city, and the farmers have grown up with the markets. It has been estimated that 90 per cent of the truck farmers or growers in the outlying districts from Baltimore bring their products to the Baltimore markets. The farmer who does this always has ready cash for his produce and this is no little inducement to him.

Constructive measures. This is a very difficult question to answer without a great deal of study and personal investigation, neither of which in our limited time and with the pressure of other official duties we can give. We sometimes feel at Baltimore, particularly in view of the need for modern sanitary structures to replace the antiquated sheds, that the city would be better off, financially at least, if the municipal markets were owned by private corporations, subject to municipal regulation. The market people, however, and perhaps the public also, would never consent to this. Again we feel it might not be a bad idea if the city had a head market master or market commissioner whose sole business was to manage the markets, to devote his time exclusively to the work, to be a practical, efficient official, to study the situation from every conceivable standpoint and to go into the proposition in the same way that would be required of a manager of a private corporation. As the matter now stands, the city comptroller is in charge of the markets, and, being the chief financial officer of the city, a member of the board of estimates, the board of awards and several other boards and commissions, and having charge of the harbor masters and the inspectors of weights and measures, it is impossible for him, with his multitudinous other duties, to devote a great deal of his time to the markets. Our markets have been allowed to go along on the "let well enough alone" principle for several decades. We believe we are now facing changes, let us hope for the best interests not only of the market people, that is, those who sell in the markets for profit, but for the taxpayer and the public at large. Some of the market people have seen fit to petition the courts to enjoin the city from carrying into effect the provisions of the new market ordinance, approved in July, the chief objection being on the part of the butchers, to an increase of \$17 per stall per annum in the total charges demanded by the city, namely, from \$25 to \$42 per stall per annum.

We are wrestling today with the problem of the constructive measures that should be taken to further the municipal markets at

Baltimore. It is a big problem, so big that we want to be absolutely sure of our ground before acting. We believe, however, that we have taken one proper step in the passage of the ordinance to change, to some slight extent, the present license fee, the increased revenue to go back into the markets by way of new improvements, to place the cleaning of the markets under the exclusive supervision of the commissioner of street cleaning, and to give the board of estimates authority to regulate the rentals as many inequalities of years' standing are known to exist. Other changes and improvements will be undertaken from time to time as may seem advisable. We are about to let a contract for the enclosing of one of the markets, in glass, to improve the sanitary conditions. This will be an experiment and we shall watch the results carefully. It is not unlikely that a commission will be appointed at an early date for the purpose of thoroughly studying market conditions to the end that improvements may be made wherever advisable. Changes in the centers of population have often made a once popular market a heavy liability upon the city and when such a condition confronts us, ways and means must be devised to remedy conditions.

That public markets tend to reduce the cost of living goes without saying. It is unquestionably so at Baltimore. Government statistics show that Baltimore is one of the cheapest cities in the United States in which to live.